



## Legislation Text

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**File #:** 20-0249, **Version:** 1

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Recommendation to adopt resolution approving the 2019-2023 Memorandum of Understanding with the Association of Long Beach Employees. (Citywide)

In accordance with instructions from the City Council, a Memorandum of Understanding (MOU) agreement has been reached with the Association of Long Beach Employees (ALBE) bargaining unit, which represents approximately 577 employees in the Skilled and General Basic bargaining unit.

Since September 2019, City Management and ALBE representatives have held nine negotiation sessions regarding a new MOU. The current terms and conditions expired on September 30, 2019. A tentative agreement reached by the parties contains key benefit enhancements such as a paid parental leave program, one additional holiday, a new disability insurance, expanded sick leave usage, and modified benefits eligibility date that enhances employees' ability to balance work and personal lives.

The proposed MOU is for a four-year agreement from October 1, 2019 through September 30, 2023, and it includes the following major provisions:

1. General Wage Increases in the pay period that includes the following dates:
  - 4 percent effective February 1, 2020
  - 2 percent effective October 1, 2021
2. One-Time Payment: Effective September 30, 2021, all permanent full-time bargaining unit members (excluding non-career employees) receive a \$1,500 one-time payment.
3. Equity Adjustments: Provide equity adjustment increases phased-in over the term of the MOU for certain classifications. The equity adjustments will allow the City to remain competitive in recruiting and retaining the City's service and skilled workforce.
4. Special pay adjustment for Water Utility Mechanic I-III: Ten percent (10%) special pay adjustment effective the first day of the full pay period that includes February 1, 2020, and an additional ten percent (10%) special pay adjustment effective the first day of the full pay period that includes October 1, 2020.
5. Additional City Holiday: In 2021, employees will receive one additional paid City holiday

(Election Day).

6. **New Paid Parental Leave:** Full-time employees eligible for City health benefits who have completed (6) months of full-time City service will be eligible for up to 30 consecutive days (160 hours) of Paid Parental Leave following the birth of a child, adoption of a child, or placement of a foster child in their home.
7. **Disability Insurance:** City will provide an employer-paid Short and Long-Term disability plan in Plan Year 2021. Employees will have the option to purchase supplemental disability coverage.
8. **Skill Pays Adjustments:**
  - a. New skill pays for training staff toward PE fusion certification (\$10 per diem), for regular assignment to work as a tow truck driver (\$1.00 hourly), and for regular assignment to work as a mechanic on Fire Apparatus (\$2.00 hourly).
  - b. General ten percent (10%) increase to currently utilized skill pays.
  - c. Grade III Department of Public Health Distribution Operator Certificate skill pay (\$0.25 hourly) will be eliminated for Water Treatment Operator III-IV and salary ranges will increase by skill pay amount. This is a cost neutral change.
9. Establish the salary for Electrical and Instrumentation Technician I (Range 590) and Electrical and Instrumentation Technician II (Range 620).
10. **Representational Time Off:** Increase union representational time off from 350 to 500 hours maximum per fiscal year. New provision that permits up to an additional 500 hours of representation time off with ALBE reimbursement to the City for all salary and overhead costs.
11. **Vacation, Personal, and In-Lieu Accrual Maximums:** In 2021, the City will implement revised vacation, personal, and in-lieu holiday accrual maximums. This will provide greater clarity on the accruals and accommodate the City's LB Coast HR system requirements. New employees may utilize accrued vacation hours upon completing 6 months of employment versus the current 12-month waiting period.
12. **Sick Leave Usage:** Effective the first pay period of calendar year 2021, expansion of allowable usage of sick leave accruals for personal medical appointments or to attend to eligible ill family members, above minimum State requirements.

13. Overtime Bank Caps: Setting the overtime bank (compensatory time off) cap at forty (40) hours maximum for all ALBE classifications and up to eighty (80) hours maximum for the following classifications only: Water Utility Mechanic I, II and III Gas Construction Worker I, II and III and Senior Equipment Operator (Energy Resources and Water Department Only).

The MOU also contains several provisions to clarify current benefits and procedures and/or slightly enhance MOU provisions such as bereavement leave, call back pay, defining FLSA and MOU overtime, alternative work schedules (9/80), rest and meal periods, personnel files and sealing certain disciplinary actions and boot allowance.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson on March 5, 2020 and by Budget Manager Grace H. Yoon on March 9, 2020.

### TIMING CONSIDERATIONS

### STATEMENT OF URGENCY

With the possible postponement or cancellation of upcoming City Council meetings as a precautionary measure to COVID-19, City Council action is requested on March 17, 2020

City Council action is requested on March 17, 2020, to ensure timely implementation of the MOU provisions.

As shown in the table below, the total cost for this four-year agreement is estimated to be \$1.2 million for the General Fund Group and \$6.3 million for All Funds. The total structural (ongoing) cost increase resulting from the agreement is estimated to be \$0.9 million in the General Fund Group and \$5.3 million across All Funds. There is also a one-time payment in FY 21 estimated at \$0.2 million in the General Fund Group and \$1.0 million across All Funds. The table shows the breakdown of these costs by fiscal year.

ALBE Contract Cost by Fiscal Year (in \$ millions)					
Fund	FY 20	FY 21	FY 22	FY 23	Total
<b>General Fund</b>					
Structural Costs	0.4	0.2	0.3	0.1	0.9
One-time Payments	-	0.2	-	-	0.2
<b>Total General Fund</b>	<b>0.4</b>	<b>0.5</b>	<b>0.3</b>	<b>0.1</b>	<b>1.2</b>
<b>All Funds</b>					
Structural Costs	1.8	1.8	1.2	0.4	5.3
One-time Payments	-	1.0	-	-	1.0
<b>Total All Funds</b>	<b>1.8</b>	<b>2.8</b>	<b>1.2</b>	<b>0.4</b>	<b>6.3</b>

The net structural costs in FY 20 (\$0.4 million in the General Fund and \$1.8 million All Funds) are expected to be funded from one-time sources, as the FY 20 budget has already been adopted. For the General Fund, City management expects to identify one-time sources in FY 20 - if adequate alternative sources are not available, the City has sufficient balance available in the operating reserve. The one-time costs in FY 21 (\$0.2 million in the General Fund and \$1.0 million All Funds) will also be funded from one-time sources, presumably from FY 20 year-end savings, operating reserves, or from other adjustments in the FY 21 budget.

For FY 21, the City will structurally include both the FY 20 and FY 21 structural costs into the operating budget (total of \$0.6 million in the General Fund and \$3.6 million All Funds) and will make any necessary adjustments to incorporate these costs. For FY 22 and FY 23 similar steps will be taken. This recommendation has no staffing impact beyond the budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

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ALEJANDRINA BASQUEZ  
HUMAN RESOURCES DIRECTOR

APPROVED:

THOMAS B. MODICA  
ACTING CITY MANAGER